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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 13, 2013

David Taylor
Miracle Rock Mining and Research
400 South 200 East
P. O. Box 76
Emery, Utah 84522

Subject: Evaluation of Reclamation Surety, Miracle Rock Mining and Research, The Rockland Mine, M/015/0040, Emery County, Utah

Dear Mr. Taylor:

The latest reclamation cost estimate submitted to the Division of Oil, Gas and Mining for the Rockland mine was completed in 2009 and escalated to year 2013 dollars, so the reclamation surety amount needs to be re-evaluated. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6).

The Division has developed worksheets to assist both the Division and mine operators to calculate the reclamation surety amount using standard unit costs. These are available on the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/bonding_worksheets.html. Please complete these forms and return a copy to the Division for review. Once the forms have been reviewed, the Division will ask that you adjust the amount of surety to reflect the current reclamation cost estimate. **Please submit the reclamation cost estimate as an amendment to the Notice of Intention to Commence Large Mining Operations (LMO) by July 31, 2013, so the information can be incorporated into the plan.**

The current reclamation cost estimate is a summary sheet with little supporting data. Please include the cost to remove all structures such as the mine building, fuel tanks and explosives magazines. These items were not included in the previous cost estimate.

The Notice of Intention to Commence Large Mining Operations (Notice) says some of the highwalls will be blasted down, but there is no line item for blasting costs in the plan. In addition the Notice says dump trucks will be used, but there is no line item that includes dump trucks or loading material onto the trucks.

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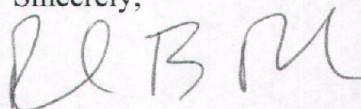
Volume estimates and production estimates should be included as part of the supporting calculations.

Please contact Wayne Western at 801-538-5263 or by e mail at waynewestern@utah.gov if you have questions about the worksheets.

The Division also requests that you review the Notice to ensure it is adequate and reflects the current operating conditions. Any necessary changes should be addressed by submitting an amendment.

Thank you for your cooperation. Please call Wayne Western at 801-538-5263 or me at 801-538-5261.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P B M', is written over the typed name.

Paul B. Baker
Mining Program Manager

PBB: whw: eb
cc: John Blake, SITLA, jblake@utah.gov
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